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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

United States Virgin Islands

Working paper prepared by the Secretariat

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I. Background information

1. The United States Virgin Islands¹ is a Non-Self-Governing Territory administered by the United States of America. The Territory is located in the eastern part of the Caribbean Sea, approximately 1,000 miles south-east of Miami and 45 miles east of Puerto Rico. The Territory is made up of three main islands (St. Croix, St. John and St. Thomas) and one small island (Water Island), transferred in 1996 by the United States Department of the Interior to the jurisdiction of the territorial Government. The capital, Charlotte Amalie, is located on St. Thomas. The Islands were Danish territory from 1754 to 1917, when they were purchased for US\$ 25 million by the United States of America. The Office of Insular Affairs carries out the Secretary of the Interior's responsibilities for the Territory.

2. The population of the Territory in 2006 stood at 108,605, with approximately 4,250 people living in St. John and the rest almost equally divided between St. Thomas and St. Croix. About 50 per cent of the population is younger than 35 years of age. The composition of the Territory's population is 78 per cent black, 10 per cent white and 12 per cent other.²

3. The United States Virgin Islands constitute an organized, unincorporated Territory of the United States. With the adoption by the administering Power of the Organic Act of the Virgin Islands (1936) and its revision in 1954, the Territory was granted a measure of self-government over local affairs. Executive power is vested in a Governor, who has been elected on the same ticket as the Lieutenant-Governor since 1970 by popular vote for a four-year term. The Governor is limited to two consecutive terms, but can be elected again after one full term out of office. The Governor appoints, with the advice and consent of the Legislature, the heads of the executive departments and has the power to approve or veto legislation and issue executive orders. On the national level, the Territory elects a delegate to the United States Congress, who is able to vote in committees.

II. Constitutional, political and legal issues

A. General

4. Since the Organic Act of the Virgin Islands was revised by the administering Power in 1954, there have been four attempts to replace it with a locally written constitution approved by the people of the Territory, which would organize the internal mechanisms of Government. Although the United States Congress authorized the adoption of a local constitution in 1976, none of the four attempts has been successful. Regarding the Territory's political status, the first and only referendum on a range of political options was conducted in 1993. However, only 27 per cent of the electorate voted and, of those, 80.3 per cent voted to retain the current status. The result was considered invalid since less than 50 per cent of the electorate had voted.

¹ The information contained in the present paper has been derived from published sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 e of the Charter of the United Nations.

² Office of Insular Affairs (www.pacificweb.org); United States Central Intelligence Agency, *The World Factbook*, 2007.

5. In October 2004, former Governor Charles W. Turnbull signed into law the Fifth Constitutional Convention, which was to be the fifth attempt at elaborating a local constitution. The Convention was to be formed by 30 local delegates to be chosen in a special election in February 2006. The Convention was to forward a draft to the Governor, who then would submit it to the United States President. Upon approval by the United States Congress, a referendum to ratify the document could be held.² In his 2005 State of the Territory address, former Governor Turnbull supported this proposal, calling it perhaps the best mechanism to adopt their own constitution.³ The Territory's Legislature, in December 2005, decided to postpone the Convention until July 2007, stating that more time was needed for proper preparation.⁴

6. At the Caribbean regional seminar on decolonization, held in May 2005, the President of the United Nations Association of the United States Virgin Islands, Judith Bourne, reiterated the need for authoritative information and education on international status issues of Non-Self-Governing Territories, and on the self-determination options available to their people. She noted that while the Fifth Constitutional Convention legislation appeared to suggest an act of self-determination, federal law, however, clearly stated that "no constitution that the United States Virgin Islands adopts can affect its status as a 'territory or other property' of the United States as referred to in the territorial clause of the United States Constitution". United States Public Laws 94-584 of 21 October 1976, and 96-597 of 24 December 1980, specified that such a constitution should "recognize, and be consistent with, the sovereignty of the United States over the Virgin Islands ..., and the supremacy of the provisions of the Constitution, treaties, and laws of the United States applicable to the Virgin Islands ..., including, but not limited to, those provisions of the ... Revised Organic Act of the Virgin Islands ... which do not relate to local self-government".⁵

7. Information on legal issues can be found in the 2005 working paper (A/AC.109/2005/9). A new development, however, took place in December 2006 when the United States Virgin Islands Supreme Court swore in its first judges. The Territory has had the right to create a Supreme Court since 1984 but did not do so until former Governor Turnbull signed the measure into law in October 2004. According to United States Virgin Islands Bar Association President Amos Carty, the establishment of the Supreme Court will eliminate federal judicial involvement in purely local legal matters.⁶

B. Recent elections and political developments

8. In the November 2006 election for the position of Governor, John deJongh of the Democratic Party won a run-off against the Independent Party candidate with 57 per cent of the vote. Another Democrat, Donna M. Christensen, was re-elected to

² State of the Territory address, delivered by Governor Charles W. Turnbull on 31 January 2005 and reproduced in full by *St. Thomas Source* on 1 February 2005 (www.onepaper.com/stthomasvi).

³ *The Virgin Islands Daily News*, 23 December 2005.

⁴ For a summary of the statement, see *Official Records of the General Assembly, Sixtieth Session, Supplement No. 23 (A/60/23)*, chap. II, annex, para. 37.

⁵ www.caribbeanetnews.com, 21 December 2006.

her sixth two-year term as the United States Virgin Islands Delegate to the United States Congress, with 63 per cent of the vote. In January 2007, Ms. Christensen assumed the chairmanship of the Subcommittee on Insular Affairs of the House Committee on Natural Resources.⁷

9. With regard to the delegate to the United States Congress, in January 2007, limited floor voting rights were restored by the United States House of Representatives. The change is largely symbolic as territorial delegates are only allowed to vote on floor amendments, not on the final approval of bills.⁸ Nevertheless, the delegates from the Virgin Islands and other United States Territories praised the restoration of voting rights as an opportunity to express the voice of their constituents in the legislative process.⁹

10. The last legislative elections, held on 2 November 2004, resulted in the election of 15 senators, namely, 10 Democrats, 3 members of the Independent Citizens' Movement and 2 non-party affiliates. Although the results suggested a solid Democratic majority in the Legislature, three Democratic senators split with their party after the elections and, together with the Independent Citizens' Movement and the non-party affiliated senators, formed the Consensus Majority.¹⁰ The next legislative elections will be held in November 2008.

11. In the State of the Territory address, in January 2007, Governor deJongh described the State of the Territory as troubling and fragile but expectant of change. He addressed the structural budget deficit, poverty, crime, crumbling infrastructure and inadequate health care and education. Concerning relations with the federal Government, Governor deJongh stated his support for a Virgin Islands Constitution and criticized inappropriate federal involvement in territorial affairs. He made clear, however, that the best way to defend the Territory from a federal takeover was to improve Government efficiency and compliance with both local and federal regulations.¹¹ During a meeting in Washington, D.C. on 28 February 2007, with the Interagency Group for Insular Areas, which gave governors and others the opportunity to present their priorities before a panel of officials from the federal Government, Governor deJongh spoke of his commitment to a very different relationship between the Territory and the federal Government. "I realize how ineffectual we have been in our dealings with the federal agencies but my objective is to make certain that we can put an end to the federalization of the local Government and I want to know what it will take to get this done", Mr. deJongh said. He also noted that his Administration would respond to audits and to the concerns of the federal agencies, restating the need for the local and federal Governments to work together.¹²

12. The Inter-Virgin Islands Council held its third meeting in St. Thomas in October 2006. It was co-chaired by former Governor Turnbull and Chief Minister Orlando Smith of the British Virgin Islands. The Council discussed ways to

⁷ Ibid., 1 February 2007.

⁸ *The New York Times*, 25 January 2007.

⁹ *Pacific Magazine*, www.pacificmagazine.net/news, 26 February 2007.

¹⁰ *The Virgin Islands Daily News*, 24 November 2004.

¹¹ State of the Territory address, 22 January 2007, www.governordejongh.com.

¹² www.caribbeanetnews.com, 2 March 2007.

strengthen ties between the two Territories as well as a number of common issues, such as law enforcement and inter-island transportation.¹³

III. Budget

13. The precarious fiscal condition of the Territory at the end of the 1990s and the measures taken at the federal and local levels to avoid bankruptcy have been described in detail in previous working papers (A/AC.109/2001/3, paras. 13-17 and A/AC.109/2002/4, paras. 13-17). Since 2000, the Territory's budget has been agreed on in the framework of the Office of Insular Affairs 2000-2005 Strategic Plan, which, *inter alia*, called for all insular Governments to implement long-term plans to improve financial management by 2005. According to the former Governor, his Administration had worked painstakingly to revitalize and strengthen the relationship with the federal Government by completing long overdue audits and bringing the local Government into compliance with federal auditing standards. Newly placed confidence in the Virgin Islands by the federal agencies has reportedly led to an increase in federal grant funding, of approximately 50 per cent, since 1999, reaching \$282 million in 2004, according to the United States Secretary of the Interior.¹⁴

14. According to a recent report by the United States Government Accountability Office, the United States Department of the Interior should, however, do more to assist the Territories with financial management deficiencies. The report cites the serious economic, fiscal and financial accountability challenges faced by the United States Virgin Islands and recommends greater efforts to improve financial reporting through coordination with officials from other federal grant-making agencies.¹⁵

15. The Government is presently working on the creation of an internal audit unit and a new financial management system.¹⁶ Fiscal audits of federal funds are required for compliance with federal reporting laws and to prevent the Territory from losing federal funds under the Single Audit Act. The fiscal year 2005 audit is scheduled to be completed in May 2007, leaving the Territory one year in arrears.¹⁷

16. According to information provided by the administering Power, the budget for fiscal year 2007 was approved in the amount of \$650 million.

IV. Economy

A. General

17. In 2006, the gross domestic product (GDP) per capita in the Territory was \$18,652, which is less than half the average GDP per capita in the continental

¹³ Ibid., 21 October 2006.

¹⁴ Secretary of the Interior, Gale Norton (see <http://www.businessopportunitiesconference.com>), 24 September 2004.

¹⁵ Department of the Interior: Major Management Challenges, Government Accountability Office, www.gao.gov, 16 February 2007.

¹⁶ *St. Thomas Source*, 26 July 2005.

¹⁷ Information transmitted from the administering Power.

United States.¹⁸ GDP grew by 3.2 per cent in 2005 and was estimated to have grown by 3.6 per cent in 2006. The 2006 growth has been attributed to improved macroeconomic management and record tax revenues due to high oil prices, business investments and real estate development.¹⁹

18. According to the former Governor, one of the key elements in the Territory's fiscal recovery plan was to strengthen the Economic Development Commission tax incentive programme. Responsible for promoting the development and diversification of the territorial economy, the Commission has operated the programme since 2001 in order to attract new businesses to the Virgin Islands.²⁰ Commission beneficiaries generated about one third, or \$127 million, of all income tax revenues and nearly 8.5 per cent, or 3,000, of jobs in the Islands prior to 2005. However, new federal tax laws introducing stricter requirements to the programme, have had a negative impact on the revenue of the Territory. The firm of PricewaterhouseCoopers, in a study commissioned by the previous Government, assessed that tax losses would be between \$83 million and \$100 million and that 2,000 to 2,300 jobs could be lost by 2007.²¹ However, a recent regulation by the United States Treasury, effective 14 November 2006, which relaxed the rules governing residency requirements under the tax laws, may ease some concerns and allow the Economic Development Commission to rebound.¹⁹

19. Regarding trade, the United States Virgin Islands is exempt from the Jones Act, which requires that freight moving between United States ports be carried by United States-flagged ships. The Territory benefits from other favourable trade concessions as part of its relationship with the administering Power.

B. Economic sectors

1. Agriculture and fisheries

20. Early in 2005, the Fish and Wildlife Division of the Department of Planning and Natural Resources held public hearings on a draft conservation management plan for the fisheries and marine resources of the Territory. The plan includes information on the distribution and abundance of key species, a description of locations and conditions of key habitats, a description of the key problems of pollution, overfishing, habitat degradation, and proposals for necessary and priority conservation measures to implement the plan.²²

21. At the beginning of May 2005, the Caribbean Fishery Management Council adopted new fishing regulations with inputs from the Territory's fishermen, including fishing bans of some species and area fishing restrictions.²³ In October 2005, a federal grant of nearly \$350,000 was approved for the St. Thomas Fishermen's Association for the development of data on the Territory's marine life

¹⁸ www.caribbeannetnews.com, 21 February 2007.

¹⁹ United States Virgin Islands Economic Review and Industry Outlook, United States Virgin Islands Bureau of Economic Research, www.usviber.org, December 2006.

²⁰ United States Virgin Islands Economic Development Authority, www.usvieda.org/EDC.

²¹ *PricewaterhouseCoopers*, "Economic impact of H.R.4520 on United States Virgin Islands", 12 January 2005 (see www.pwc.com).

²² *The Virgin Islands Daily News*, 6 April 2005.

²³ *Ibid.*, 4 May 2005.

and the effects of pollution and soil runoff.²⁴ In December 2005, the Council met again to discuss strategies and new regulations in the next two years aimed at preventing overfishing in both territorial and federal waters.²⁵

2. Manufacturing and industry

22. Manufacturing incentives are provided by a trade regime that confers unique advantages on the United States Virgin Islands. Items assembled in the Territory can be exported duty free into the United States, even if up to 70 per cent of the value consists of foreign dutiable components. Other incentives include 90 per cent exemption from local corporate income taxes for 10 to 15 years for new manufacturers.

23. The manufacturing sector exhibited strong growth in 2006. Its major export, refined petroleum, rose sharply in both volume and value, while the number of manufacturing jobs grew by 9 per cent, from 2,170 in 2005 to 2,366 in 2006.¹⁹

24. The industrial sector remains dominated by Hovensa LLC, the third largest refinery in the Western Hemisphere and the eighth largest in the world. Situated in St. Croix, it produces 500,000 barrels of refined petroleum products daily and is jointly owned by the Amerada Hess Corporation and Petróleos de Venezuela.

25. The rum industry has continued to generate record tax revenues for the Government. The gain is a direct result of a tax rebate formula enacted by Congress in 1999, which expired on 31 December 2005.

26. While continuing to seek a permanent extension, the Government hopes that the rum tax formula will soon be extended retroactively. The Government and partners in the rum industry are also working to extend tariff protection as long as possible, increase the brand identification of Virgin Islands rum and accelerate a shift to the production and sale of non-tariff-sensitive premium rums.²⁶ In fiscal year 2006, a record 7.7 million gallons of proof rum were shipped to the United States, up 17 per cent over the 2005 figures.¹⁹

27. Within the framework of the 2006 budget, funds had been earmarked for the Economic Development Authority to promote the Economic Development Commission programme to different types of industries lacking in the Territory. Manufacturing companies were specifically targeted, which could help diversify the economy, make them more competitive and provide more high-paying jobs.

3. Construction

28. The construction sector grew by almost 15 per cent in 2006, supported by major hotel construction, the upgrade and expansion of roads, housing and seaports and the development of commercial and residential properties.¹⁹

29. The sector is expected to continue growing in fiscal year 2007 due to several new capital projects, such as the Regional Library and Record Centre on St. Thomas, affordable housing development and road construction.¹⁹

²⁴ *St. Thomas Source*, 25 October 2005.

²⁵ *The Virgin Islands Daily News*, 15 December 2005.

²⁶ State of the Territory address, 30 January 2006 (www.onepaper.com/stthomasvi)

30. In 2005, the Territory's Legislature considered a number of re-zoning requests to enable the construction of business complexes and residential housing. Support was given to projects to build affordable homes, particularly for low-income and moderate-income families. Construction of the latter started in June 2005 and continued throughout 2006.

4. Tourism

31. The tourism sector, the most important industry of the Islands, experienced more moderate growth in 2006 than in the previous two years. Visitor arrivals totalled 2,574,894.¹⁷ Air visitor arrivals grew slightly, while cruise passenger arrivals fell by 2.4 per cent in fiscal year 2006, though the cruise industry began to rebound in the final quarter of the year.¹⁹

32. In January 2007, the United States-based Northwest Airlines began a new non-stop service between Detroit and St. Thomas.²⁷ In 2005, two other United States-based airlines, Delta and Spirit, started services to St. Croix and St. Thomas. According to former Governor Turnbull, the additional airlift capacity has significantly increased the Territory's share of business meetings and conventions.²⁶ The Territory's Tourism Department continues to run a fully integrated advertising campaign to promote tourism on St. Croix.

C. Finance

33. Financial services companies, many of which are Economic Development Commission beneficiaries, have been important to the Territory's economy. The sector slowed in 2006, however, with job growth of less than 1 per cent. According to the United States Virgin Islands Bureau of Economic Research, the stagnancy of the financial sector is largely due to the 2004 American Job Creation Act, which established additional requirements for residency in the Territory. Those changes have threatened the status of many of the beneficiaries of the programme of reduced taxation run by the Territory's Economic Development Commission as an incentive for corporations to open businesses. A number of businesses have since closed their operations, thereby substantially reducing tax revenues for the Territory.¹⁹

34. In January 2006, former Governor Turnbull announced the formation of a task force, with a mandate for two years, to study the feasibility of establishing a stock exchange in the Virgin Islands.

35. The Territory received its second investment grade bond rating from Standard and Poor's in September 2006. That rating enables the Government to seek financing at the most favourable interest rates and to issue bonds independently of specific tax revenues.²⁸ As a result, the Territory has been able to reduce its bond insurance costs by \$6 million.¹⁹

²⁷ www.caribbeannetnews.com, 11 August 2006.

²⁸ www.caribbeannetnews.com, 12 September 2006.

D. Transportation and communications

36. The Territory has five major docking facilities, which can accommodate cruise ships and some naval vessels. Three of the docks are on St. Croix, namely South Shore, Gallows Bay and Frederiksted. The remaining two are on St. Thomas, namely, the facilities operated in Crown Bay by the Virgin Islands Port Authority, a semi-autonomous Government agency, and the Islands-owned West Indian Company.

37. The Port Authority operates two international airports, Cyril E. King Airport on St. Thomas and Henry E. Rohlsen Airport on St. Croix. With regards to public transportation in the Territory, the United States appropriated \$2.4 million to enhance the system to upgrade the Islands' VITRAN bus service.²⁹

38. On 29 July 2005, Congress passed a highway and transportation bill that earmarked some \$115 million for the Territory's roads, including appropriations for two "special" highway projects on St. Thomas and St. Croix. The bill also amended the Territory's designation for federal mass transit funding. The Territory gained the status of an urbanized area, thus enabling increases in funding mass transit in the years to come.

E. Utilities, water and sanitation

39. Electricity is thermally generated using imported fuels. The Virgin Islands Water and Power Authority serves approximately 47,000 customers. Over the last years, the rising cost of oil, tight global supplies, geopolitical uncertainties and the falling value of the dollar prompted hikes in the price of gasoline, electricity and water.³⁰ To keep utility rates down and alleviate financial losses, the Authority has started to look into enhancing efficiency and finding alternative, renewable sources of power.³¹ Efforts have also been undertaken to find an alternative power provider.³²

40. Owing to limited freshwater supplies, salt water is used extensively for non-domestic purposes, including firefighting and sewerage. The Water and Power Authority desalinates water and collects rainwater for domestic use. A desalination plant on St. Thomas produces 4.45 million gallons per day. Wells, particularly on St. Croix, supply the remainder of the freshwater necessary. Owing to the high cost of water, average daily consumption is about 50 gallons per person per day, about one third the United States average.

V. Military issues

41. As in the mainland United States, homeland security has become a major concern in the Territory. The previous Governor approved more than \$200,000 for homeland security operations in the framework of the 2006 budget.³³ His

²⁹ *St. Thomas Source*, 27 September 2004.

³⁰ *The Virgin Islands Daily News*, 11 July 2005.

³¹ *St. Thomas Source*, 14 and 22 June 2005.

³² *Ibid.*, 30 November 2005.

³³ *Ibid.*, 15 July 2005.

Government also asked for the return of the Coast Guard to help to stem a flood of illegal immigrants, and advocates for a permanent presence of the United States Customs and Border Patrol on the Islands.³

42. The Virgin Islands National Guard has deployed over 300 guardsmen and women to Iraq, Afghanistan, and Guantanamo Bay, Cuba. Soldiers have also been deployed in humanitarian missions to Haiti and in relief efforts to Louisiana following Hurricanes Katrina and Rita.²⁶

VI. Social conditions

A. Labour

43. Employers in the Territory must follow federal and territorial labour laws, such as those regulating minimum wages, occupational health and safety standards and payment of Social Security tax and unemployment insurance. In recent years, the Government has focused on reducing employment in all three branches of Government, while promoting private enterprise and investments to create new jobs. The unemployment rate, which stood at 7.4 per cent in 2005, fell to 6.2 per cent in 2006.¹⁷

44. In 2006, the Territory received a \$75,000 grant from the United States Department of Labor to strengthen its unemployment compensation programme. The funds are intended to support the Government in the prevention, detection and recovery of improper benefit payments and the promotion of quick re-employment.³⁴

45. Although the cost of living in the Territory increased over the last eight years, salaries in the private sector have not kept pace with rising inflation and have fallen far behind negotiated labour contracts and national standards.³⁵

46. In the public sector, however, improved financial conditions permitted the Government to increase the pay scale for Government employees in 2006. Revenues in the amount of \$116 million were committed towards upgrading the salaries of classified and unclassified central Government employees, employees of the University of the Virgin Islands and retirees, through the current year. About 85 per cent of these salary increases will affect classified unionized employees.²⁶ The minimum hourly wage in the Territory was raised by 50 cents in January 2006 and reached \$6.15 in January 2007, when an additional 50-cent increase went into effect.³⁶ In addition, former Governor Turnbull rescinded a year-long reduction in salaries of executive branch employees and approved legislation that increased the minimum annual salary of Government employees from \$15,000 to \$20,000, beginning 1 January 2007.^{4, 37}

³⁴ Ibid., 2 October 2006.

³⁵ *The Virgin Islands Daily News*, 23 April 2005.

³⁶ *St. Thomas Source*, 4 November 2005.

³⁷ *The Virgin Islands Daily News*, 7 December 2005.

B. Education

47. Education is compulsory and free for all children between five and a half and 16 years of age. The territorial Department of Education administers 15 schools on St. Thomas, 16 on St. Croix and two on St. John. The 2000 census data, issued in February 2002, reflected school enrolment of children three years and older to total 32,119. Of those, 52.5 per cent attended elementary school, 23.2 per cent attended high school and 9 per cent attended college or graduate school. The census also reported that 60.6 per cent of the population aged 25 and over are high school graduates, while 16 per cent have bachelor's degrees or graduate degrees.

48. In December 2005, the Community Foundation of the United States Virgin Islands published a report, which revealed that nearly half of the Territory's youth aged 18 to 19 did not have a high school diploma and that 10 per cent of teenagers aged 16 to 19 were neither attending school nor working, a number that is slightly higher than the national rate of 9 per cent.³⁷

49. At a press conference in February 2007, the United States Virgin Islands Department of Education released a report card on the progress made in educational reforms and on the challenges that remain. According to that document, 16 out of 33 local public schools were meeting proficiency targets established in reading and mathematics. Performance scores for the Territory's seventh, eighth and eleventh-graders were not as high as those for the third through sixth grades. Because of those deficiencies, only seven schools in the Territory were able to meet the adequate yearly progress standards outlined in the Department's Accountability Workbook.³⁸

50. Governor deJongh, in his 2007 State of the Territory address, promised an increased focus on the professional development of teachers and on student performance. He outlined plans to give superintendents management responsibility and greater control over teacher recruitment.³⁹

51. On 23 September 2005, the Territory's three-year Compliance Agreement with the United States Department of Education to address management problems in the Territory's education funds and programmes expired. While the federal Government recognized that the Virgin Islands Department of Education had made significant progress in achieving the goals set out in the Agreement, it was found to have failed to achieve the most important goal, the implementation of a new, more transparent financial management system, as well as the appointment of a new federal grant manager who was supposed to handle all federal education grants until the new financial management system had been implemented.⁴⁰ Since 1 July 2005, all pending and new education grants had been withheld from the Territory to enforce compliance.⁴⁰ According to information provided by the administering Power, a new federal grants manager has now been selected, a move which in turn will release over \$30 million in withheld federal education grants.

52. The University of the Virgin Islands has campuses on St. Thomas and St. Croix and approximately 2,500 full- and part-time students. It offers bachelor's degree programmes in 33 fields and master's degree courses in education, business

³⁸ *St. Thomas Source*, 16 February 2007.

³⁹ *The Virgin Islands Daily News*, 23 June 2005.

⁴⁰ *Ibid.*, 5 September 2005.

administration and public administration. The University improved its academic performance and was awarded 32 research grants in 2005 amounting to over \$14 million. The University received \$1.7 million in federal aid for programme development to bolster the education of black Americans, and got the second instalment of \$1.7 million for a federally funded initiative to stimulate competitive research in the Territory.⁴¹

C. Public health

53. In order to fill gaps in the Territory's health system, the Primary Health Care Office gathered information for a report outlining the Virgin Islands health-care shortages, needs and challenges. The report, compiled by the State University of New York, revealed a shortage of trained health-care workers, lack of education programmes, a limited health-care infrastructure and funding constraints. The Territory's per capita health workforce was smaller and was paid less compared to that of the United States as a whole. Some 24 per cent of the Territory's population or 26,000 Islanders did not have health insurance, and both the annual limit on federal contributions to the Territory's Medicaid programme and the high percentage of uninsured residents had a negative financial impact on health-care providers, particularly hospitals.⁴²

54. A new Virgin Islands cardiac centre in St. Croix is currently under construction and scheduled for completion in October 2007. At a cost of \$24 million, the centre will provide cardiac services and interventions to the residents of the United States and British Virgin Islands.⁴³

55. The Territory continued, in 2005, to have the highest number of confirmed HIV cases per 100,000 United States citizens, with 862 people who have been diagnosed with HIV/AIDS.⁴⁴ Local public health officials are working to combat the stigma and prejudice linked to HIV/AIDS and raise the level of education and awareness among those who go untested and untreated. The Department of Health has revamped and reorganized its programme addressing HIV/AIDS. With \$2.3 million in federal grants, the Department is focusing on early intervention and community outreach programmes.⁴⁵

56. The Department of Human Services continued to provide services for the neediest residents of the Territory. According to the previous Governor, the Department's success was reflected in the decline in the number of welfare recipients by 70 per cent over the five-year period, from 2,900 individuals in 2000 to 496 in 2005.⁴⁶ The Department has also been designated as the lead agency to coordinate efforts in the Territory to prevent and end chronic homelessness, which has been associated with poverty, mental illness and substance abuse. Efforts have been under way to finalize an action plan for inclusion in the budget for fiscal year 2007.^{46, 45}

⁴¹ Ibid., 19 and 20 July 2005.

⁴² Ibid., 29 May 2005 and 1 August 2005.

⁴³ www.caribbeannetnews.com, 26 January 2007.

⁴⁴ Ibid., 8 December 2005.

⁴⁵ *The Virgin Islands Daily News*, 19 May 2005.

57. The report of the Community Foundation mentioned above (see para. 48) showed that almost one third of the Territory's children live in poverty, a slight increase over last year and almost double the national average of 18 per cent. St. Croix had the highest proportion of children living in families headed by single mothers, with 41 per cent, followed by St. John, with 32 per cent, and St. Thomas, with 28.1 per cent. Some 10.7 per cent of infants born were low birthweight babies, defined as weighing less than 5.5 pounds. Birthweight was directly related to survival, development and continuing overall health.⁴⁶

D. Human rights and related issues

58. Information concerning human rights and related issues can be found in the 2003 working paper (A/AC.109/2003/1, para. 43).

E. Crime and crime prevention

59. In his 2007 State of the Territory address, Governor deJongh called crime one of the primary social problems facing the Territory. He pledged to hire more police officers and to prioritize the solution of unresolved crime and treatment of incidents of domestic violence.⁴⁷

60. In February 2007, the Governor announced plans for an anti-crime initiative with the appointment of a new police commissioner and two district police chiefs. Additional prosecutors and a police recruiter will be hired and trained, and a new forensic unit will be built within the next three years. In addition, a new territory-wide emergency "911" telephone system will be established.⁴⁷

61. Nevertheless, high crime rates remain a matter of concern in the United States Virgin Islands.

VII. Environment

A. Protection of natural resources

62. According to the Environmental Protection Agency's Region 2 State of the Environment Report (1998), the ecosystems of the Caribbean islands face threats not only from natural disasters, such as hurricanes, but also from human impacts, such as improperly treated sewage, extensive land conversion and deforestation, over-fishing and tourism-related activities. Conversely, protecting the ecosystems is important if economy-generating tourism is to be maintained. Governor deJongh, in his 2007 State of the Territory address, emphasized the need to simultaneously protect the environment and encourage economic growth, particularly in the tourism industry.⁴⁷

63. Nevertheless, a study by the National Oceanic and Atmospheric Administration concluded in August 2005 that the Territory's coral reefs were affected by at least 10 categories of stress, including climate change, disease,

⁴⁶ Ibid., 7 December 2005.

⁴⁷ www.caribbeanetnews.com, 22 February 2007.

tropical storms, coastal development and runoff, coastal pollution, and tourism and recreation. Those ecological challenges were discussed by the United States Coral Reef Task Force at its October 2006 meeting in St. Thomas, where it called for increased public-private partnerships to address reef degradation.⁴⁸

64. In September 2005, the Trust for Public Land, a non-profit land conservation organization, announced plans to purchase and preserve 415 acres on the Island of St. John, to be added to the Virgin Islands National Park. Once the acquisition is complete, the park will comprise 70 per cent of the land on the island.⁴⁹

B. Disaster preparedness

65. The United States Virgin Islands faces recurrent hurricanes and flooding, in addition to being located within an earthquake-risk zone. The Federal Emergency Management Agency provides programmes of mitigation, preparedness, response and recovery in the Territory through the Virgin Islands Territorial Emergency Management Agency. In July 2006, the Territorial Agency trained a group of 60 volunteers, forming a Community Emergency Resource Team to assist in the recovery and response to emergencies.⁵⁰

VIII. Future status of the Territory

A. Position of the territorial Government

66. At the 12th meeting of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, on 16 June 2006, a representative of the United States Virgin Islands made a statement (see A/AC.109/2006/SR.12).

67. In that statement, the representative reviewed the resolutions that the Special Committee had adopted with respect to the Territory since the present territorial Government's assumption of office in 1999, and said that he believed that their non-implementation remained a significant obstacle to the realization of decolonization.

68. Speaking before the Special Political and Decolonization Committee (Fourth Committee) at its 6th meeting, on 6 October 2006 (see A/C.4/61/SR.6), the representative of the United States Virgin Islands noted that the lack of implementation continued to delay the decolonization mandate.

69. At the Pacific regional seminar on decolonization, held in Yanuca, Fiji, from 28 to 30 November 2006, the representative of the Territory stated that the drafting of a local constitution for the United States Virgin Islands should precede any determination of permanent political status. He noted that a constitution must be written within the framework of the laws of the administering Power and in recognition of the applicability of the territorial clause of the United States

⁴⁸ United States Department of the Interior Press Release, 3 November 2006.

⁴⁹ www.caribbeannetnews.com, 25 September 2006.

⁵⁰ *St. Thomas Source*, 15 July 2006.

Constitution. He also called for continued oversight by the United Nations of the Territory's progress on Decolonization.⁵¹

B. Position of the administering Power

70. Speaking before the Special Political and Decolonization Committee (Fourth Committee) at its 6th meeting, on 6 October 2006 (see A/C.4/61/SR.6), the representative of the United States addressed a procedural matter regarding the request of a United States Virgin Island resident to address the Committee in an official capacity, saying that the Territory was an insular territory of the United States. The Government of the United States, as administering Power, therefore, had sole jurisdiction over foreign representation of the islands. He noted that the representative of the United States Virgin Islands was not a member of the United States delegation and had no standing in an official capacity. Nevertheless, he added, in a spirit of cooperation and in order to expedite the important work of the Committee, his delegation would not object to the representative addressing the Committee, adding that this, however, should not be viewed as his delegation's final views on the matter.

71. In a letter dated 2 November 2006, to an American Samoa congressman, Jeffrey T. Bergner, Assistant Secretary of State for legislative affairs, outlined the position of the United States Government on the status of American Samoa and other United States Insular Areas. In his letter, the Assistant Secretary noted that the status of those Insular Areas, regarding their political relations with the federal Government, were United States internal issues and not those of the Special Committee on Decolonization. In his letter he also noted that the Special Committee had no authority to alter in any way the relationship between the United States and those Territories and no mandate to engage the United States in negotiations on their status. In his letter he further stated that, at the same time, under its obligations under the Charter of the United Nations to provide regularly to the United Nations statistical and other information of a technical nature relating to economic, social and educational conditions in the territory, the federal Government did submit annual updates about the United States Territories to the Special Committee as a demonstration of United States cooperation as an administering Power. The annual reports were also an opportunity to correct any errors in information the Special Committee might have received from other sources. The General Assembly had agreed in 1960 to a set of principles governing whether a territory was Non-Self-Governing and the United States would have to provide the Special Committee with information showing that those principles were satisfied before the Committee would agree to "de-list" those Insular Areas.⁵²

⁵¹ See Report of the Pacific regional seminar on the implementation of the Second International Decade for the Eradication of Colonialism — priorities for action, *Official Records of the General Assembly, Sixty-first Session, Supplement No. 23A (A/61/23/Add.1)*.

⁵² <http://samoanews.com>, 7 November 2007.

C. Action taken by the United Nations

1. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

72. At its 12th meeting, on 16 June 2006, the Special Committee on Decolonization adopted draft resolution A/AC.109/2006/L.9, without a vote.

2. General Assembly

73. On 14 December 2006, the General Assembly adopted with a vote of 173 to none, with 4 abstentions, resolutions 61/128 A and B. Section XI of resolution 61/128 B is devoted specifically to the United States Virgin Islands.
